



**PROGRAM GUIDELINES  
REALIZING THE DREAM HOMEOWNERSHIP PROGRAM**

Our goal is to work with eligible first time buyers whose savings and income are inadequate to meet certain costs associated with the purchase of a 1-4 family or condominium residential property; to enhance the appearance of Lynn's neighborhoods and to correct all health and safety code violations. This program provides:

- Homebuyers whose household income does not exceed the income limits below will be eligible for a \$5,000 grant and a \$5,000 loan at 0% interest amortized over 5 years. The assistance is only for down-payment, closing cost, lead paint removal or the correction of all code violations.
- This program is available city-wide.

Household Size (Number of Persons)							
1	2	3	4	5	6	7	8
\$45,100	\$51,550	\$58,000	\$64,400	\$69,600	\$74,750	\$79,900	\$85,050
Gross Annual Income Limits							

- The funds from this program will be in the form of a second mortgage. Program is subject to the availability of funds.

**Eligibility Criteria:**

1. LHAND will not accept applications for a Predatory or Sub-prime loan.
2. The applicant(s) must enroll and participate in an MHFA approved Homebuyer Workshop and receive a completion certificate prior to applying for the **“Realizing the Dream for Homeownership”** program.
3. The applicant(s) must have a minimum of \$2,000 of their own savings to participate in this program.
4. The purchase property must be a 1-4 family or condominium residential property. Ownership must be in fee simple title or 99-year leasehold interest.
5. The applicant(s) must not have owned a home in the past three (3) years.
6. The after-rehabilitation appraised value of the purchase property cannot exceed \$362,790 for a single-family home / condominium; \$461,113 for a 2-family home; \$560,231 for a 3-family home; or \$646,421 for a 4-family home.
7. The applicant(s) should be credit worthy with a minimum credit score of 660 and above. Serious negative credit experiences will have to be fully explained and documented in writing if further eligibility is to be considered. All loans are subject to the approval of the LHAND Loan Committee and the Executive Director.

**Application Process: PLEASE READ THE FOLLOWING CAREFULLY. INCOMPLETE APPLICATIONS WILL RESULT IN A DELAY IN PROCESSING WHICH MAY MAKE YOU INELIGIBLE FOR LOAN ASSISTANCE.**

**STEP 1: Immediately after signing the Contract to Purchase submit the following documents:**

*Always provide **photocopies**.*

1. **Application Form**
2. **Guidelines** – Two (2) copies are provided. Sign and date both. **Return one (1)** with your application, keep one (1) for your records.
3. **Income Documentation** – See Income Documentation Checklist attached to Application.
4. **Bank Statements** – Three (3) months of most recent bank statements showing at least \$500.00
5. **Contract to Purchase** – *Signed photocopy*

After the above documentation is submitted to the LHAND office, a Rehabilitation Specialist from LHAND will contact you to schedule an inspection of the interior and exterior and the premises for "Public Health and Safety" violations. It is necessary that you are present during the inspection.

**STEP 2:** Upon completion of the inspection, you will receive a copy of the inspection report. The inspection report will indicate code violations that must be corrected before initial occupancy and other code violations that must be corrected within four months of occupancy. You may make arrangements with the seller to correct all or some of the items listed on the inspection report. Any code violations the seller will correct must be included in the P&S agreement. If there are items you will be responsible for, you must submit copies of written itemized cost estimates from licensed contractors. If you want to do a portion or all of the work, you must submit an *itemized* cost estimate ("quote") for the materials. LHAND will not reimburse a client for his/her own labor. Permits must be submitted prior to commitment.

You are free to choose your own **licensed** contractors, or to undertake work yourself, provided that we agree you are capable.

**STEP 3:** Submit the following documentation: *Please provide photocopies when asked.*

1. **MHFA SEMINAR COMPLETION CERTIFICATE**
2. **Delead "Full Certificate of Compliance" or Lead Paint Inspection Report and Written Cost Estimates** – Photocopy. For all units in which children under six (6) are expected to reside.
3. **Purchase and Sale (P & S)** - Signed photocopy.
4. **Mortgage Application from Lender** - Photocopy.
5. **Commitment Letter from Lender** – Photocopy. A Conditional Commitment letter will be accepted for initial review of the application.
6. **Estimate of Closing Costs from Lender** - Photocopy.
7. **Appraisal from Lender** – Photocopy.
8. **Proposed Deed from Lenders Atty.** - Photocopy.
9. **Buyer/Seller Disclosure Statement** - Signed by Buyer and Seller.
10. **Vacancy Notice** - Completed and signed by owner, if any vacancies.
11. **Itemized Cost Estimates** – Photocopy of estimates for correction of code violations or deleading estimates from a licensed deleader.

**STEP 4:** A written commitment, detailing your funding amounts, will be provided to you after all the necessary paperwork is in order. At this point you should notify your lender and the lender's closing attorney so that they can schedule the closing two weeks or later from receipt of the LHAND commitment letter. You should notify LHAND immediately of the closing date and time. LHAND will notify you of the "Realizing the Dream" loan closing and will provide you with a check for down payment and/or closing costs.

Funds from the "Realizing the Dream" program that are allocated for rehabilitation will be held in escrow by LHAND and will be disbursed when work is completed.

If the cost of all required work (i.e. down payment, rehabilitation, deleading) exceeds the maximum loan amount available under this program, LHAND staff will advise the buyer of other resources if available, which may be combination of programs that may help you complete the purchase and rehabilitation of your home.

**Additional Eligibility Criteria:**

1. The principal amount of this loan is due and payable to the LHAND at the time of any additional creation of units to the property, sale, transfer, conversion of the property to a rental unit or to another non-residential use, default, or destruction of the property due to fire or any other unknown reasons. **The property must be owner-occupied for the duration of the loan indebtedness. LHAND will periodically request that the borrower provide documentation of proof of owner-occupancy.**
2. The property must be: 1) occupied by the seller and will become vacant immediately after closing; 2) tenant purchaser occupied or; 3) vacant. No involuntary displacement of tenants as a direct result of the acquisition is allowed. A Disclosure Statement relating to this matter will be provided to the Seller(s) and will be required to be signed by both the Buyer(s) and Seller(s).
3. At time of initial occupancy, the property must be free from any defects that pose a danger to the health or safety of occupants including the removal of lead paint. Within four months of property transfer to the first-time homebuyer, the property must meet LHAND's Housing Quality Standards (HQS).
4. LHAND will not consider requests to subordinate its' lien position for any purpose except to refinance the existing first mortgage for a lower interest rate.
5. LHAND will only accept a fully documented loan.

**"If you close your first mortgage prior to the LHAND Homebuyer assistance then you are ineligible for assistance and your application will be voided. No grant funds will be disbursed after your bank closing."**

**Please sign below to confirm that you have received a copy of the "Realizing the Dream for Homeownership" Guidelines and that you have read and understands these Guidelines.**

\_\_\_\_\_  
DATE

\_\_\_\_\_  
APPLICANT'S SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
CO-APPLICANT'S SIGNATURE



**Equal Housing  
Opportunity**